

February 9, 2007

Sandra L. Jensen
Hearing Officer
Natural Resources Commission

Dear Ms. Jensen:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with new rules in LSA 06-272 proposed by the Indiana Department of Natural Resources (DNR).

The rule changes amend 312 IAC 9 governing the management of fish and wildlife and includes the following amended sections: hunting deer by firearms, hunting deer by bow and arrows, endangered species of mammals, migratory birds and waterfowl, endangered species of birds, endangered species of reptiles and amphibians, endangered species of fish, and endangered species of invertebrates. Although the proposed rule changes affect several areas, the DNR indicates that the only rule change creating a potential impact for small businesses is the addition of the Cerulean warbler to the Indiana endangered species list. The DNR estimates that there are approximately 50 small businesses that may be affected by the rule changes. Entities affected by the rule change are businesses that apply for a permit to do construction in a floodway or along the shoreline a public freshwater lake where Cerulean warblers are known to exist. If a business proposes construction in a floodway or other construction that may destroy habitats for Cerulean warblers, the DNR may require that the business modify its plans to minimize habitat destruction in order for the permit to be granted. The DNR estimates that the cost for such modification is less than \$500 per year per business. Costs associated with reporting requirements as a result of the rule changes are expected to be minor.

The DNR believes the addition of the Cerulean warbler to the state's endangered species list is necessary based on the risk of extinction for that species. State law in IC 14-22-34-11 does require the DNR to add species to the endangered species list when necessary. The U.S. Fish and Wildlife Service (USFWS) is also considering whether or not to list the Cerulean warbler on the federal endangered species list, which would mandate their addition to the state endangered species list as well. Cerulean warblers are a species of special concern in Ohio and Michigan and a threatened species in Illinois. The Cerulean warbler is declining throughout its range, prompting the USFWS to review its status for federal listing. Delaying the addition of the Cerulean warbler to the state's endangered species list could increase the risk of extinction for the species.

The IEDC does not object to the economic impact associated with the proposed rule. The anticipated costs associated with the rule are reasonable given that there is risk of extinction for the species. The DNR notes in the impact statement that it is the mission and statutory authority of the DNR to protect populations, and the populations of cerulean warblers have been declining for many years. If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry
Director – Research
Indiana Economic Development Corporation